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Cadenas de Valor Rurales

Huehuetenango y San Marcos



Rural Value Chains Project

USAID Cooperative Agreement 520-A-00004

QUARTERLY REPORT

October – December 2013

Guatemala, January 30, 2014

1. Introduction

The Rural Value Chains Project (RVCP) falls within the framework for the Feed the Future Initiative (FtF) and is being implemented under a Cooperative Agreement 520-A-12-00004, signed on May 31, 2012 between the National Coffee Association (ANACAFE) and the United States Agency for International Development (USAID).

RVCP implementation is the responsibility of a consortium that includes ANACAFE (as the lead entity with USAID), together with the Guatemalan Confederation of Co-operative Federations, (CONFECOOP in Spanish, represented by the Guatemalan Federation of Agricultural Coffee Producer Co-operatives – FEDECOCAGUA, R.L. in Spanish), the Federation of Agricultural Cooperatives (FEDECOAG, R. L. In Spanish), the Integrated Federation of Handicraft Producer Co-operatives (ARTEXCO, R. L. In Spanish), the Coffee Grower Foundation for Rural Development (FUNCAFE in Spanish) and the FUNDASISTEMAS Foundation.

RVCP seeks to accomplish the following objectives:

- Reduce poverty and malnutrition rates in 21 municipalities located in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by increasing the household income of small producers that participate in the coffee, horticulture and handicrafts value chains.
- Promote deep-rooted behavioral changes among the producers and their families to ensure that their increased income is sustainable, but also contributes to improved nutrition over the short, medium and long term.

The Consortium member organizations are undertaking activities under each of the components listed below to attain RVCP objectives.

- I. Improved competitiveness along the value chains;
- II. Expanded participation in the value chains;
- III. Improved agricultural productivity;
- IV. Expanded trade and increased markets (private consolidator);
Note: implementation activities for this Component were excluded from the USAID/ANACAFE Agreement, but are covered by another project with objectives similar to those of RVCP. The second project is implemented by another consortium in the provinces of Quetzaltenango, Totonicapán and Quiché.
- V. Improved food production and use, and
- VI. Improvements to the handicrafts value chain.

¹¹ Huehuetenango: Jacaltenango, Chiantla, San Sebastián Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepción Huista, San Antonio Huista, La Libertad and La Democracia.

San Marcos: El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacán, Tejutla, San Marcos and San Pedro Sacatepéquez.

Although structured around the components listed above, the Project is also designed to include the following crosscutting themes.

1. Education and Training
2. Entrepreneurial Development
3. Financial Services
4. Communications (information)
5. Engaging local and national government (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for coordinating and providing the conditions so that the Consortium can work toward attaining RVCP objectives. UIP duties include designing and promoting a participatory process to develop the RVCP Year Two Work Plan to cover the period between October 1, 2013 and September 30, 2014.

To comply with the terms of the USAID/ANACAFE Cooperative Agreement, the Project is required to submit three quarterly reports (October-December, January-March and April-June) and one annual report to USAID each year. The reports must describe activities for each period and progress in achieving objectives as planned toward the targets set for each year of Project implementation.

To that end, the UIP drafted this progress report to cover the first quarter in Year Two of Project implementation from October 1 through December 31, 2013. The UIP received input for the report from the technical staff in ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS.

2. Brief Description of Obstacles to Implementation and Mitigation Measures

- The presence of coffee rust disease (*Hemileia vastatrix*) expanding to plantations at higher altitudes has been an issue of constant concern for coffee growers --estimating losses of about 15% for their 2011-2012 crop. One of the factors exacerbating the effects of the disease is that about 60% of current coffee plantations are over 15 years old (the productive expectancy for a coffee plantation is about 25 years).

These issues were obviously a concern throughout the reporting period and were often an obstacle to undertaking some of the RVCP planned activities, particularly those that seek to increase production and household income of producers participating in the coffee value chain.

To mitigate the effects of these obstacles, RVCP established so-called phytosanitary brigades to control and eradicate coffee rust disease. The Project procured 102 spray pumps for the brigades and redoubled training activities for producers on issues pertaining to the disease. The Project also planned activities to mitigate the damage to plantations caused by the disease by including plantation renewal efforts using tissue

culture and substitutions. A further effort includes the development of coffee seedlings and nurseries with about 30% of the new plants being species that are resistant or tolerant to coffee rust.

RVCP further encouraged the members of its selected coffee grower groups to access credit provided through the trust fund established in support of Guatemalan coffee producers (*Fideicomiso Apoyo al Sector Cafetalero Guatemalteco*). The credit is open to them either as individuals or as grower groups. Unfortunately, accessing the available credit has been difficult for the growers. In some cases individuals have attempted to access credit, but not been able to comply with all the requirements; in other cases, organizations have fulfilled each of the requirements to apply for the credit, but are not considered credit worthy by the bank that administers the trust fund.

- Frequent drops in coffee prices on the international market discourage producers from investing further in managing their coffee crops and lead them to consider seeking other options to provide for their families. The situation also leads producers to question the value of participating in RVCP activities scheduled during the reporting period and may certainly have an impact on efforts to produce the expected results in increasing coffee production in the region or increasing income from coffee production.

Together with the problem from coffee rust disease, this situation affects the income of coffee producers in RVCP producer groups, which also exposes their families to greater vulnerability in terms of food security. It may also force some family members to attempt to find jobs in other regions of Guatemala or southern Mexico, with all the implications on the nuclear family that this type of migration entails.

In efforts to overcome the obstacle, FEDECOCAGUA continued its efforts to implement certification courses, i.e. organic production (NOP/USDA, EU and JAS), FAIRTRADE, Rainforest Alliance, Utz Certified, STARBUCKS C.A.F.E Practices and the Common Code for Coffee Communities (4Cs). The Project expects that co-operatives will use these certifications to better position themselves in a specific market niche.

ANACAFE is also contributing efforts to ensure that coffee producers implement more efficient productive practices to reduce their crop costs.

- Climate change has increased the incidence of diseases severely affecting coffee crops. The diseases are primarily coffee rust (*Hemileia vastatrix*) and *Mycena citricolor* and clearly had an affect on the 2013-2014 harvests; in some instances, the coffee plants simply dropped their fruit. Weather conditions hampered processing and drying of the beans and limited applications of chemicals to curb the spread of disease (crops cannot be treated during harvest). Furthermore, extreme weather conditions (fluctuating between periods of drought and heavy rainfall) also hampered other RVCP activities scheduled during the quarter from October through December 2013.

In order to mitigate some of the effects of these situations, Project staff proceeded to reschedule some of the RVCP activities this quarter.

- Due to a lack of response from the bank managing the fund, the Project was unable to complete the planned assistance regarding access to credit through the trust fund established for Guatemalan coffee producers. Unfortunately, the action required to correct the situation extends beyond the scope of RVCP.

3. Activities and Progress toward Results

3.1 General

- **Promoting the RVCP Entrepreneurial Development System (SIDEM in Spanish)**

By promoting SIDEM, the Project expects to see RVCP producer groups adopt the system to apply organizational change that will contribute to increased competitiveness. FUNDASISTEMAS implemented the activities described below to accomplish this purpose.

- a. Working meetings with three members of the Consortium to draft a joint action plan.
- b. Drafting four letters of understanding between FUNDASISTEMAS and other Consortium organizations to improve procedures and lay out responsibilities for each party. Two of the letters have been signed and the Project is still awaiting signatures for the remaining two (ARTEXCO and FEDECOAG).
- c. Five follow up meetings to validate the digital entrepreneurial diagnostic instrument for improvements. The diagnostic is the point of departure for implementing SIDEM.
- d. Contracting a team of consultants to prepare the studies programs, develop methodologies, design material and conduct pedagogical assessments to strengthen links between the SIDEM and FUNDASISTEMAS methodologies.

In the specific case of ANACAFE Region I (San Marcos), technical personnel scheduled field visits to RVCP coffee producers to validate the tool used to conduct the diagnostic evaluation of the producer groups as required to implement SIDEM.

- **Baseline data for Food and Nutritional Security**

The Project designed the instrument to establish the baseline on the families selected for food and nutritional security activities and hired a consultant to collect the data and process the information. At the time of this writing, RVCP has taken delivery of the database and is in the process of tabulating the data.

- **Monitoring Food and Nutritional Security (SAN in Spanish) Activities**

FUNCAFE designed a tool to monitor SAN activities implemented by RVCP. The tool is ready for use in January 2014 by the field technicians hired by FUNCAFE in the expectation that the monitoring will provide monthly updates on progress in the family gardens, fuel efficient stoves, water purifiers and residential hygiene.

- **Strategic Approach for ARTEXCO Participation in the Handicrafts Value Chain**

ARTEXCO prepared a two-pronged strategy: one aspect to address the needs of the artisans and the other to address market requirements. The Project is working to coordinate the timelines to ensure that the point at which both strategies converge is effectively improved. The point of convergence is production; therefore, ARTEXCO technicians worked on that aspect of the strategic plan this quarter.

- **Digital Platform for RVCP Management**

The UIP worked closely with ANACAFE staff and technicians to contract a consultant to design the following:

- a) online RVCP budget management system, including a review of ANACAFE's current system to ensure compatibility and introduce a joint upgrade (institutional strengthening);
- b) an online M&E monitoring system to track RVCP technical progress, accessible to all parties;
- c) the RVCP website.

The consultant delivered the designs and the Project is currently in the process of contracting an additional consultancy to develop the designs and implement them.

3.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chains

ANACAFE (Coffee Value Chain)

- **Increased Yield**

Over the current reporting period, ANACAFE technicians in Region V (Huehuetenango) scheduled site visits to the coffee plantations of 20 small grower organizations in the area. The visits included technical assistance on coffee rust disease control, resulting in the plantations maintaining their expected yields for the 2013-2014 harvests.

- **Improved Post-harvest Management**

- a) In order to provide technical assistance on post harvest management issues in ANACAFE Region V (Huehuetenango), the Project organized six training activities designed for members of 20 RVCP-selected coffee grower groups. The training on maintaining and improving coffee quality covered the following subjects.
- wet mill processing;
 - industrial security in wet mill facilities, and
 - increased productivity in wet mill processing.

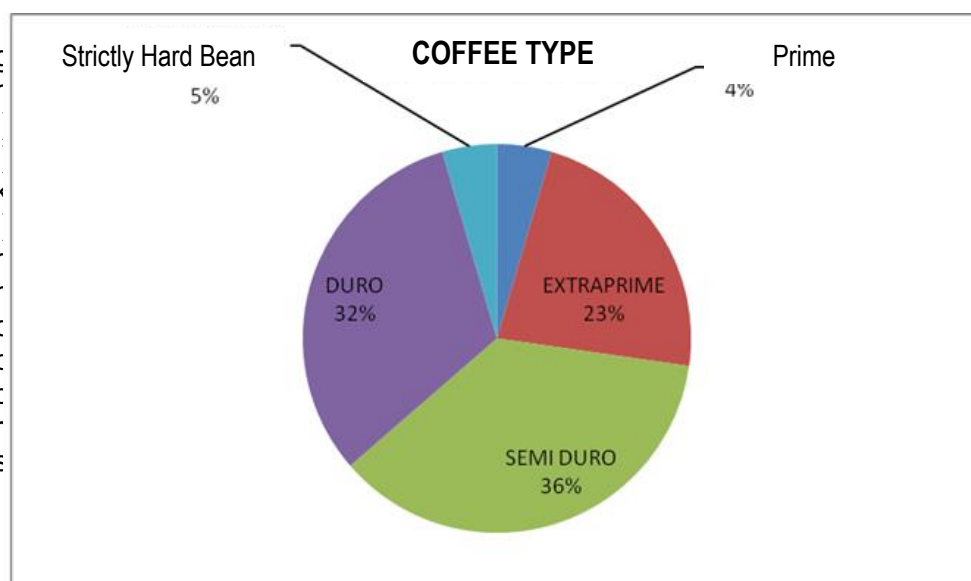
Over the current reporting period, RVCP provided technical assistance to a total of 518 coffee producers in Huehuetenango (313 men and 205 women), representing 24% progress toward the target in Huehuetenango for Year Two. In addition, a total of 174 coffee producers (77 men and 97 women) participated in the RVCP training activities.

- b) Of the 23 RVCP coffee producer organizations in San Marcos, 11 (48%) share wet mill facilities. The remaining 12 groups (52%) have individual wet mills using artisanal processes.
- c) The Project worked with the *Asociación Civil de Pequeños Agricultores de Comunidades Unidas* (ACIPACU in Spanish) to organize a workshop on calibrating and troubleshooting pulp removal equipment in San Marcos for a total of 15 members of the association.
- d) The Project organized technical assistance for 15 of the 23 RVCP coffee grower groups in San Marcos. The assistance included site visits to assess six wet mill-processing facilities, four guardiola coffee dryers and one static dryer. The technicians provided recommendations to implement best practices to operate wet mills, including safety, traceability, classifying ripe coffee, classifying de-pulped coffee, washing, drying, storing and appropriately managing byproducts (pulp and wastewater).
- e) RVCP technicians monitored coffee quality among 11 producer groups in San Marcos using samples of dry parchment coffee to assess cup quality. The following table summarizes monitoring results.

Item	Organization	Type	Cup
1	APECAFORM	hard	clean, healthy
2	ACIPACU	hard	clean, healthy
3	ACIPACU	hard	tart, over fermented
4	ACIPACU	hard	clean, healthy
5	ACIPACU	hard	intensely fruity
6	ADIBA	extra prime	slightly astringent
7	Asociación Flor del Café	strictly hard	clean, healthy
8	Asociación Flor del Café	semi hard	slightly astringent
9	APECAFEL	semi hard	clean, healthy
10	APECAFEL	hard	clean, healthy
11	Cooperativa Entre Ríos	semi hard	wine undertones

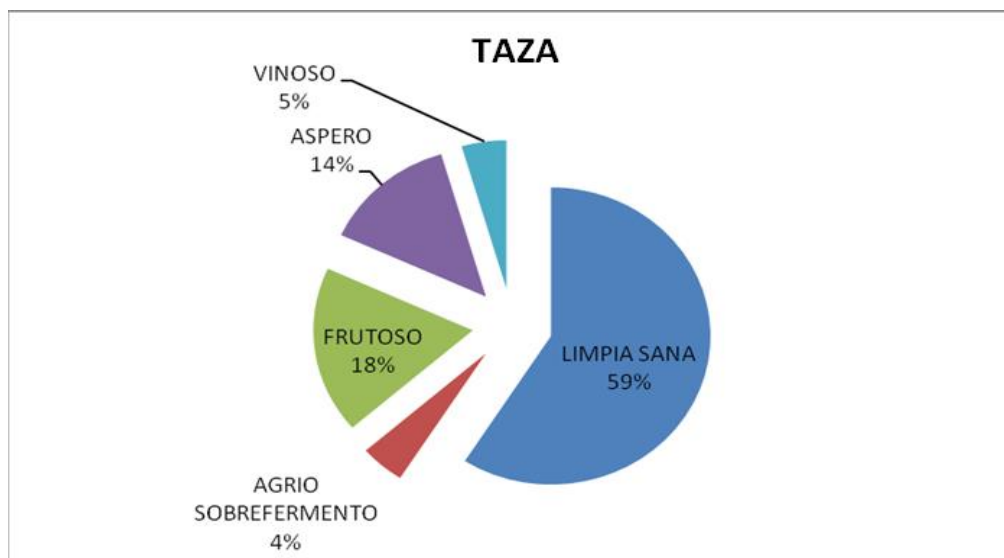
12	Cooperativa Entre Ríos	semi hard	clean, healthy
13	Cooperativa Nuevo Edén	extra prime	fruity
14	Cooperativa Nuevo Edén	extra prime	fruity
15	Cooperativa Nuevo Edén	extra prime	clean, healthy
16	Cooperativa Nuevo Edén	extra prime	astringent
17	Cooperativa Nuevo Edén	semi hard	clean, healthy
18	ECA Emanuel	semi hard	clean, healthy
19	ECA Emanuel	semi hard	clean, healthy
20	ECA Emanuel	semi hard	fruity
21	Cooperativa Nuevo Porvenir	prime	clean, healthy
22	ECA Nueva Escocia	hard	clean, healthy

- f) According to the monitoring results for the 22 samples, a total of 4% were for prime coffee beans, 23% extra prime, 36% semi-hard and the remaining 5% of the samples were strictly hard beans. The following pie chart illustrates the sampling.



In regard to cup quality, the 22 samples yielded 59% clean, healthy cups, 4% were tart and over-fermented cups, 14% were astringent, 5% had wine undertones and the remaining 18% were fruity cups, as summarized in the following graph.

CUP PROFILE



- t) As part of the effort to update cup characteristics for regional coffees (Volcanic San Marcos), the Project sampled parchment coffee from the 2012-2013 crop produced by the *Asociación de Pequeños Productores Mayas Mames* (APECAFORM in Spanish) and the *Cooperativa Integral Agrícola Nuevo Porvenir*, both located in San Marcos.

The tasting results confirmed the use of appropriate wet mill processing procedures by both of the above-mentioned organizations, revealing Strictly Hard Bean (SHB) and a clean, healthy cup. In addition to the technical cup analysis, the cup characteristics were key to revealing the particular qualities of the bean and are important for marketing efforts.

- u) The Project provided technical assistance to install a guardiola mechanical dryer with capacity to process up to 15 100-lb. sacks of dry parchment coffee. The dryer is installed at the *Asociación Civil de Pequeños Caficultores de Liberación* (APECAFEL). The facility was built with financing in the amount of GTQ105,000 from FONAGRO/MAGA.

– Increased Income

- a) The Project continued to organize training activities for the *Asociación de Caficultores de San Miguel Ixtahuacán* (ACMI) in San Marcos in preparation for the group's first expo. To that end, RVCP staff is using the Entrepreneurial Development System (SIDEM) to assist the growers. The following section describes activities to date.
- An experience exchange tour for 37 members of ACMI, including the manager and technical personnel from the Esquipulas co-op in the municipality of La Libertad, Huehuetenango.
 - A presentation on the marketing plan for ACMI authorities with special emphasis on the coffee quality control requirements for members.

- Review process on the marketing plan with the 17 producer groups that comprise ACMI.
- Coordination meetings between ACMI authorities and coffee export companies to discuss conditions offered by the companies.

– **Entrepreneurial Strengthening**

- a) As a result of RVCP technical assistance to the *Empresa Campesina Asociativa Emanuel* in San Marcos, the organization has appropriate cash flow systems in place to ensure accountability.
- b) RVCP provided technical assistance to the *Asociación de Campesinos Unidos para la Paz y el Desarrollo Integral Comunitario* (ACUPDIC) in San Marcos regarding their bank accounts and accounting procedures.
- c) The ANACAFE technical team in Region I (San Marcos) provided assistance and support to the *Cooperativa Integral Agrícola Nuevo Porvenir R.L.*, the *Cooperativa Integral Agrícola Nuevo Edén R.L.*, the *Asociación de Campesinos Unidos para La Paz y El Desarrollo Integral Comunitario* (ACUPDIC) and the *Empresa Campesina Asociativa Emanuel* to review their accounting records in preparation for their annual financial statements for presentation during their general assemblies scheduled during the upcoming reporting period.
- d) Following up on previous RVCP assistance, the *Cooperativa Integral Agrícola Nuevo Porvenir* in San Marcos proceeded to hire an accountant.
- e) RVCP technical staff provided assistance to the *Cooperativa Integral Agrícola Nuevo Porvenir* in San Marcos to set up their respective accounting for the years from 2007 through 2013. As a result of the effort, the co-op now has their accounting and financial statements up to date and in order.
- f) The Project technical team planned orientation sessions for the accountant at the *Cooperativa Integral Agrícola Nuevo Edén* in San Marcos on compliance with tax requirements for the Office of the Comptroller General.
- g) RVCP technicians assisted the *Asociación de Campesinos Unidos para la Paz y el Desarrollo Integral Comunitario* in San Marcos to comply with requirements under the Law for Civilian Associations and the process at the Ministry of Government to authorize their records on the association's boards of directors.
- h) RVCP provided assistance to several groups in San Marcos --*Asociación de Pequeños Productores de Café Liberación*, the *Asociación de Desarrollo Integral Buenos Aires*, the *Cooperativa Integral Agrícola Entre Ríos* and the *Asociación Civil de Pequeños Agricultores Flor del Café* in getting 96 of their members reclassified by the tax authority. As a result, those members are no longer required to submit monthly tax returns.

- i) RVCP technicians provided assistance to set up a database for the *Cooperativa Integral Agrícola La Igualdad* and the *Asociación de Pequeños Productores Orgánicos Mayas Mames* in San Marcos allowing them to manage their loans and ensure greater accountability before their membership.
- j) RVCP assistance was instrumental so that 19 of the total 23 organizations selected in San Marcos could complete and update their financial/accounting evaluations.

FEDECOCAGUA (Coffee Value Chain)

- Increased Yield

According to final harvest data provided by six of the nine RVCP-selected cooperatives in San Marcos, preliminary losses are in the neighborhood of 21% compared to last year's yield, attributable to the effects of coffee rust and *mycena citricolor* diseases, borer beetles and heavy rainfall during harvest season. The bulk of the harvest in Huehuetenango is pending and will be factored in with the rest of the data to assess overall losses in the RVCP target areas.

– Increased Income

Prior to the 2013-2014 harvests, the 28 coffee co-ops selected by RVCP in San Marcos and Huehuetenango were accessing soft loans through credit co-ops and FEDECOCAGUA to provide their membership with the financial resources required to harvest their crops. RVCP seized the opportunity to strengthen their management capacity and provided additional technical assistance on management practices.

– Renew and Improve Management Practices

In working toward this result over the reporting period, FEDECOCAGUA technical staff provided assistance to 28 RVCP coffee producer organizations in San Marcos and Huehuetenango to renew and improve their management practices, as follows:

- a. set up payroll records for the coffee rust phytosanitary brigades;
- b. records and controls to ensure coffee traceability from field to market;
- c. track data on each area of coffee production and use internal inspections to generate input for continuous improvement plans;

- d. participate in procurement and management of IT packages with services such as internet connections, online banking and management or accounting software;
- e. follow up on compliance with tax requirements;
- f. provide follow up to update information on the co-ops that are members of ANACAFE (legal representative) and FEDECOCAGUA (crop forecasts and planting areas);
- g. Monitor wet mills to track income, expenditures and coffee prices against payment advances for the coffee crops;
- h. provide assistance to track global commodity prices in support of more favorable trade negotiations.

– **Improved Post Harvest Handling**

In efforts to reach indicator targets this quarter, the Project implemented the following activities with the 28 RVCP coffee producer co-ops in San Marcos and Huehuetenango.

- a. Training and support to manage shared or individual wet mills.
- b. Coffee tasting workshop for RVCP co-ops in Huehuetenango.
- c. Monitoring and evaluating coffee quality using visual methods and tasting.
- d. Improved waste management and handling of by products from wet mill processing.
- e. Improvements at the receiving dock and processing steps at the shared wet mill facility for the San Jose Cooperative.
- f. Installing a total of 60 new pulp removal machines and 20 electric motors.
- g. Build 12 coffee fermentation tanks to benefit a total of 92 members (22 women and 68 men).
- h. Build and improve wastewater-holding tanks.
- i. Project staff continued to provide assistance to set up recordkeeping to track energy consumption, fuel use (gasoline or diesel) and/or firewood use for dryers in efforts to reduce or optimize resources together with monitoring water use in shared or individual wet mills as required for Utz or Starbucks C.A.F.E. certifications.

- j. Technical staff continued to provide follow up to improve coffee processing at every step from parchment, to drying to storage, including appropriate labeling for industrial and operational security and the implementation of industrial safety measures and personal hygiene and cleanliness.
 - k. Implement the use of logbooks to record janitorial and maintenance activities in wet mills and vehicles.
 - l. Implement steps to correctly identify coffee from each of the co-ops being processed at the FEDECOCAGUA dry mill facility in Palin, Escuintla and indicate dates, lot number, weight and origin.
 - m. Implement a delivery form that specifies the type of coffee and applicable certification, including date, weight, amount, origin and authorized seal and signature.
 - n. Implement product delivery procedures to monitor quality control of coffee coming in for processing at the FEDECOCAGUA dry mill facility and assign warehouse space based on the quality of the coffee prior to tasting (as required for all coffee being delivered to the dry mill facility).
- **Employment Generation**

The Project is yet unable to quantify the number of jobs created this quarter, but has received information from six co-operatives in San Marcos reporting a total of 175 new jobs (61 for women and 40 for youth) as necessary to process 5,055 100-lb. sacks of parchment coffee as the 2013-2014 harvest begins to come in.

▪ **FEDECOAG (Horticulture Chain)**

– **Increased Income after Introducing Irrigation**

RVCP staff worked with members of the *10 de Abril* Co-op in San Marcos to improve yields on three hectares planted with potato (baby root vegetables using certified and registered seed) and green houses (macro tunnels). The latter uses drip irrigation systems to benefit 15 members of the co-op. The Project does not yet have data on increased income.

– **Increased Income as a result of Field Irrigation**

Some producers are currently using mini irrigation systems that were introduced prior to RVCP implementation, but considering the significant investment required to expand the irrigation, financing requirements and ready access to water sources, the Project did not undertake efforts this quarter to expand the systems.

In lieu, RVCP opted to leverage the interest and promote horticultural production in greenhouses (macro tunnels) using drip irrigation systems that are more efficient in light of the limited water supplies in the areas in which the Project is being implemented.

- **Producers Implement Greenhouses**

A total of 15 producer members of an RVCP selected organization in San Marcos received Project assistance to grow potatoes (from seed) in controlled conditions by building 144 macro tunnel greenhouses.

- **Greenhouse Crops**

The Project worked to set up a total of 144 greenhouses (macro tunnels) over two hectares planted with 100,000 potato plants (Loman). The plants were provided by FEDECOAG and the Project provided assistance for a one hectare planting on open fields using certified seeds.



- **Increased Yield from using Greenhouses**

Depending on the material used to build macro tunnel greenhouses (agryl, nylon, galvanized tubing) and the mini-irrigation systems in place, growing conditions can favor improved plant development, uniform growth, improved root development, plant vigor, better foliage and, most importantly, more tubers per plant. The technology is producing a good quality crop of about 115 100-lb. sacks of certified-seed potatoes.

- **Increased Yield from using Improved Agricultural Practices**

By working with members of eight RVCP organizations in San Marcos and Huehuetenango to implement Best Agricultural Practices (BAPs), the Project reports increased growth and development of horticultural crops with minimal presence of pests and diseases usually affecting their crops. As a result, yields increased 5% overall compared to the previous crop.

RVCP provided assistance by analyzing 47 soil samples, 18 of which indicated the presence of nematodes. As a result, technical staff prepared fertilization plans for potato and snow pea crops to ensure soil free of nematodes, especially important for seed production.

- **Job Creation**

One of the outcomes of RVCP assistance is an increase in the number of jobs created for production processes (three months) (80 jobs, 60 for men and 20 for women).

- **New Export Crop**

RVCP continues to provide technical assistance and training to 60 snow pea producers that have completed their first planting. The Project worked with two export companies who plan to market the crop.

4.2.2 Component 2: Broadened Participation in Value Chains

- **FUNCAFE**

- **Design a Pilot Program for Secondary Education (students enrolled or graduated from specialized programs on coffee and horticulture production)**

Over the course of the reporting period, a total of 14 scholarship recipients successfully completed their first year in the specialized high school program on coffee production. The entire group plans to enroll for their second year.

The Ministry of Education issued Ministerial Agreement 1985-2013 on August 13, 2013 to transfer accreditation authority to the National Central Agricultural School (ENCA in Spanish) for all secondary education programs with an agricultural, livestock or forestry focus. ENCA has a constitutional mandate to regulate agricultural secondary education in Guatemala.

To maintain continuity of the program and ensure a timely start for the next school year, FUNCAFE worked with ENCA to review the approval and accreditation processes for the coffee studies program. The discussions provided an excellent opportunity for Project staff to describe RVCP successes and progress to date.

Further to the effort, the Project also engaged with the Coordinator for the Agricultural and Forestry Education Centers (CENAF in Spanish).

ENCA representatives scheduled an inspection visit to the site of the coffee studies high school program on the *Las Nubes* plantation in Suchitepéquez. During the inspection, ENCA authorities took note of the infrastructure, teaching methodology, institutional support, teaching staff, community demand and cultural relevance. As a result of the site visit, ENCA approved the program and the Project expects that by the next school year, the program will be fully accredited.

FUNCAFE engaged with officials from the Ministry of Education to confirm their willingness to sustain the studies program over time and seek their continued support.

Further to the point, the Project raised awareness among all RVCP organizations working on coffee value chains and has assessed demand for the high school program at around 30 students.

ENCA did not approve FUNCAFE's request to open a second coffee studies program in Huehuetenango, but the Project plans to continue efforts to obtain approval.

- **ANACAFE (coffee value chain)**

- **Credit Applications for Individuals or Growers Groups**

RVCP technicians worked this quarter in ANACAFE Region V (Huehuetenango) to provide assistance to seven individuals from two GATs and one co-op interested in improving access to financing provided through the Trust Fund for Financial Support to Guatemalan Coffee Producers. The funds are earmarked for maintaining and harvesting coffee crops. As a result of RVCP assistance, the growers accessed funds in the amount of US\$ 322,792.00.

- **Pilot Program on Secondary Education**

RVCP technical staff selected two individuals (children of members of Project organizations in Huehuetenango) to enter the coffee studies high school program operated by FUNCAFE.

- **New Producer Groups**

RVCP technical staff worked to increase membership rolls by 110 new members in seven coffee producer associations in San Marcos, as follows:

1. *Cooperativa Integral Agrícola Nuevo Porvenir*

2. *Grupo de Amistad y Trabajo La Peña*
3. *Grupo de Amistad y Trabajo La Lima*
4. *Grupo de Amistad y Trabajo Legual*
5. *Grupo de Amistad y Trabajo Siete Platos*
6. *Asociación Flor del Café*
7. *Cooperativa Integral Agrícola Entre Ríos R.L.*

▪ **FEDECOCAGUA (coffee value chain)**

– **Pilot Program on Secondary Education**

The group of 12 students completed the first year in a vocational course on cooperative and association management being taught at Rafael Landívar University in Huehuetenango. The course is offered with the support of Fair Trade International.

The UGK Foundation under FEDECOCAGUA also provided scholarships for two students from Huehuetenango to finish the first year toward their teaching certificates. One student comes from the *Cooperativa Todosantera* and the other from the *Cooperativa San José El Orebro*.

– **New Producer Groups**

RVCP co-operatives accepted 37 new members as summarized below.

item	Co-operative	New Members
1	<i>Cooperativa Chojzunil</i>	20
2	<i>Cooperativa El Porvenir</i>	8
3	<i>Cooperativa Cocolense</i>	3
4	<i>Cooperativa Teogal</i>	2
5	<i>Cooperativa Riviera del Cabuz</i>	2
6	<i>Cooperativa Comunidades Unidas</i>	2
	TOTAL	37

▪ **FEDECOAG (horticulture value chain)**

– **Access to Credit through Alliances among Producers and Companies, Lenders and Buyers**

FEDECOAG engaged the Ministry of Agriculture to seek grant funds from FONAGRO to benefit the *Cooperativa Los Cuchumatanes* in the amount of GTQ502,380.00 to implement a project to strengthen agricultural production and trade designed to benefit 104 female members of the co-op. o

- **Alliance between Producer Organizations and Savings and Loan Co-ops**

FEDECOAG scheduled meetings with CCC-CA, Oiko Credit, to join efforts in support of productive activities using soft loans to benefit eight RVCP horticulture producer organizations.

- **Include Women in Development and Management of Producer Organizations**

One of the RVCP horticulture co-operatives created a position for a general accountant and hired a woman. The Project provided assistance to train and instruct the new employee regarding accounting and management responsibilities. In addition, another RVCP horticulture co-operative hired a woman for the position of assistant manager, and again, the Project provided training and orientation.

i. 4.2.3 Component 3: Improved Agricultural Productivity

- **ANACAFE (coffee value chain)**

- As part of RVCP activities for Component 3 in ANACAFE Region V (Huehuetenango), the Project team scheduled technical assistance site visits to address integrated coffee rust disease management paying particular attention to effective use of fungicides when appropriate, particularly to address residues remaining during harvest. In addition, the Project followed up on issues pertaining to coffee plant nurseries. The activity benefitted a total of 518 coffee producers (313 men and 205 women) from 20 RVCP organizations in the region.
- Draft a work plan and investment program to manage the coffee plantations of 308 members from eight producer groups in San Marcos. The plans include productive tissue management, shade management, integrated pest and disease management, fertilization and soil conservation. The documents provide guidance and will serve as the basis for follow up and evaluations provided by RVCP technicians.
- RVCP technical assistance to producers from 23 organizations in San Marcos included field visits, home visits and coordination and training activities. Over the quarter, the Project organized a total of 20 events that were attended by 432 members (361 men and 71 women) representing 12 organizations, as follows:

Organization	Events	Participants		
		Men	Women	Total
<i>Cooperativa Int. Agr. Nuevo Edén, R. L.</i>	3	21	17	38

<i>Asociación Comunitaria Unidos Por la Paz y el Desarrollo Comunitario (ACUPDIC)</i>	1	64	4	68
<i>Cooperativa Int. Agr. Nuevo Porvenir, R. L.</i>	3	55	9	64
<i>ECA Emanuel</i>	2	24	1	25
<i>ECA Nueva Escocia</i>	1	30	5	35
<i>Asociación Civil de Pequeños Caficultores de Liberación APECAFEL</i>	1	10	2	12
<i>Asociación Civil de Pequeños Agricultores de Comunidades Unidas ACIPACU</i>	1	13	2	15
<i>GAT San Luis</i>	1	15		15
<i>GAT El Cafetalito</i>	1	18		18
<i>GAT La Lima</i>	2	42	14	56
<i>GAT La Peña</i>	3	39	10	49
<i>GAT Siete Platos</i>	1	20	7	27
Total	20	361	71	432

- The Project organized five workshops on coffee plant nurseries, including production costs, benefits, seedlings and management. The workshops were offered to five coffee producer groups in San Marcos with 87 participants.
- The Project organized three workshops on quality control in wet milling processes for coffee producer groups in San Marcos, i.e. *Cooperativa Integral Agrícola Nuevo Edén*, *Cooperativa Integral Agrícola Nuevo Porvenir* and *Asociación Civil de Pequeños Caficultores de Liberación* (APECAFEL). A total of 45 members of the associations participated in the training.
- The Project scheduled 57 technical assistance visits to 19 producer groups in San Marcos to provide guidance and monitor the incidence of coffee rust disease. Technicians also addressed appropriate management of coffee plant nurseries, harvesting, terracing, tissue management and new plantings.
- The Project worked with 14 of the 23 RVCP organizations in San Marcos to monitor nurseries established with 225,000 plants of the Sarchimor variety grown from seeds donated by ANACAFE.
- The Project provided follow up on the four demo plots in San Marcos to evaluate plants considered resistant to coffee rust disease.
- The Project provided follow up on the five demo plots in San Marcos to evaluate soil conservation techniques and shade density.

- **FEDECOCAGUA (coffee value chain)**

- **Technical Assistance on Good Agricultural Practices (GAPs) for Coffee Producers**

FEDECOCAGUA provided comprehensive technical assistance for 983 members of 28 RVCP selected co-operatives. The Project paid particular attention to coffee certification requirements for 18 co-ops and introduced improved practices for a total of 1056.4 hectares.

Activities are summarized below.

- a. Inspections for each productive area of the coffee co-ops to assess GAPs, e.g. responsible use of pesticides, chemical and organic nutrients, soil and water conservation, labor conditions and measures to avoid all child labor. In addition, the inspections reviewed storage facilities for pesticides in members' homes or at co-op facilities. The inspection also included wet mill facilities to assess hygiene, industrial security and occupational safety measures together with measures to manage by-products and coffee traceability.
- b. Findings from the inspections were recorded and any remedial action noted as necessary. Remedial actions included training or other activities for corrective action and the Project plans to revisit the issues during the next inspection.
- c. Each of the findings from the inspections will be considered to improve management issues at each co-op. In addition the findings are recorded for use during the annual certification review required by Maya Cert, FLO-Cert and FIIT.

CO-OPERATIVES CONFIRMED AS COMPLIANT WITH CERTIFICATION CRITERIA

OCTOBER – DECEMBER 2013 REPORTING PERIOD

<i>item</i>	<i>NAME</i>	<i>FLO CERTIFIED</i>	<i>UTZ CERTIFIED</i>	<i>C.A.F.E PRACTICES</i>	<i>RAINFOREST ALLIANCE</i>	<i>ORGANIC</i>
1	<i>Cooperativa Agrícola Integral Peña Roja, R. L.</i>	X	X	X		

2	<i>Cooperativa Agrícola Integral Tajumuco, R. L.</i>	X	X	X		
3	<i>Cooperativa Agrícola integral Todosantera, R. L.</i>	X	X	X		
4	<i>Cooperativa Integral Agrícola El Porvenir, R. L.</i>	X	X	X		
5	<i>Cooperativa Agrícola Integral Nuestro Futuro R. L.</i>	X	X	X		
6	<i>Cooperativa Agrícola Integral San José El Obrero, R. L.</i>	X	X	X	X	
7	<i>Cooperativa Agrícola Integral Hoja Blanca, R. L.</i>	X	X	X		
8	<i>Cooperativa Agrícola Integral Río Limón, R. L.</i>	X				
9	<i>Cooperativa Agrícola Integral Chojzunil, R. L.</i>	X				X
10	<i>Cooperativa Integral Agrícola La Bendición, R. L.</i>	X				X
11	<i>Cooperativa Integral Agrícola San Pablo, R. L.</i>	X				X
12	<i>Cooperativa Integral Agrícola 21 de Octubre, R. L.</i>	X				X
13	<i>Cooperativa Integral Agrícola Comunidades Unidas, R. L.</i>	X				X

14	<i>Cooperativa de Ahorro y Crédito Integral Coatán R. L.</i>	X				X
15	<i>Cooperativa Esperancita</i>	X				X
16	<i>Cooperativa Cocolense</i>					X
17	<i>Cooperativa San José Quixabaj</i>					X
18	<i>Cooperativa San José Mashbal</i>					X

- d. The Project provided assistance to renew 1.2 hectares of land planted with coffee by one of the RVCP co-ops in San Marcos.
- e. Technical staff supervised the production of 719,700 coffee seedlings. Of these, 214,700 plants are resistant to coffee rust disease and will be transplanted to the field during the third and fourth quarters. The plants will be provided to members from the 28 RVCP co-ops in San Marcos and Huehuetenango.
- f. FEDECOCAGUA provided members of RVCP co-ops with a second set of supplies to control coffee rust disease and prevent crop damage. Supplies provided to growers in Huehuetenango include 278 quarts of Esfera Max, 457 quarts of Alto 10, 16 quarts of Propilac, 263 quarts of Trilogy, 89 quarts of Timorex and 673 quarts of adherent. Supplies provided to growers in San Marcos include 119 quarts of Propilac, 433 quarts of Trilogy, 143 quarts of Timorex and 132 quarts of adherent.

RVCP technical staff provided assistance to use the supplies for a second spraying in October against coffee rust disease. The spraying was scheduled to comply with the appropriate time frame prior to harvest. RVCP technicians strictly adhere to USAID environmental regulations as specified in the Work Plan for Safe Use and Application of Pesticides (SUAP).

– Climate Change

- a. The Project worked with RVCP co-ops in Huehuetenango to prepare 71 improved holding tanks to treat the wastewater from wet mill operations.
- b. Over the reporting period, the Project provided assistance to plant 400 meters of living and non-living barriers in areas prone to erosion during heavy rainfall.

- c. The Project visited wet mill facilities and warehouses operated by individual producers or grower groups to ensure compliance with food safety requirements for coffee.
 - d. Project technical staff conducted a series of two diagnostics on each of the coffee crops produced by each grower group to assess yield, monitor coffee rust and *mycena citricolor* diseases and evaluate any damage from heavy rainfall.
 - e. RVCP worked in the shared milling facilities used by growers in San Marcos to optimize the use of water resources and consider re-using or treating water. This quarter, the Project completed construction of a water recirculation loop for the wet mill facility at the *Cooperativa San José*.
 - f. Project technical staff worked in Huehuetenango and San Marcos with growers that have their own individual wet mill facilities to promote the use of holding tanks to avoid contaminating watersheds..
- **FEDECOAG (horticulture value chain)**
 - **Technical Assistance and Support for Horticulturists in Using Irrigation**
 - a) The Project organized a training activity for producers from eight RVCP grower groups in San Marcos and Huehuetenango on efficient and appropriate use of water resources in macro tunnel plantings.
 - b) The Project provided assistance and trained producers on installing drip irrigation systems using wooden platforms, plastic drums, valves, special irrigation hoses, filters and other material as necessary.
 - **Horticultural Production in Greenhouses**

Horticulture production (potatoes) in greenhouses requires greater responsibility by the growers to ensure high quality produce, increased yields and higher prices at market. To that end, RVCP technicians trained and assisted growers to design their production areas, manage their phytosanitary conditions, manage their plant nutrients (potato), manage their soil and fertilization plans, optimize harvest, transportation, storage, evaluation and monitoring.

RVCP technicians trained 15 potato seed producers under controlled conditions (macro tunnels). FEDECOAG produced 5,500 potato seedlings *in vitro* at their tissue lab in San Marcos. The seedlings were then transplanted in the field using macro

tunnels to yield 33,000 tubers of the Loman variety, which are currently in storage until they sprout. The resulting seed will then be distributed among members of RVCP organizations.

– **Promote Practices to Adapt to Climate Change**

RVCP worked with horticulture producers to promote proper disposal of empty chemical containers. In addition, the Project is encouraging growers to collect all plant trimmings and vegetable matter for composting or cattle feed.

Over the current quarter, FEDECOAG worked with 396 horticulture producers from eight RVCP grower groups (227 men and 169 women). Efforts included training activities that were attended by a total of 225 producers *144 men and 114 women).

Working in coordination with USDA, FEDECOAG organized a training course on integrated pest management for snow pea crops. A total of 49 individuals attended the event in Huehuetenango.

Furthermore, FEDECOAG trained 37 horticulturists from two RVCP organizations in San Marcos to take soil samples and assess fertilizing requirements for proper plant nutrition.

4.2.4 Component 4: Increased Trade and Expanded Markets (Private Consolidator)

This Component was eliminated from the original proposal and is not covered by RVCP/ ANACAFE-CONFECOOP-FUNCAFE-FUNDASISTEMAS Consortium activities.

4.2.5 Component 5: Increase Food Production and Improve Food Use

▪ **Family Garden Plots**

This quarter FUNCAFE began distributing micro drip pressure irrigation systems to use in family gardens and mitigate the negative effects of dry spells. Technicians distributed 919 systems among the families of the members of RVCP grower groups.

The micro irrigation system distributed by FUNCAFE is user friendly and easy to install and can be tailored to adapt to the terrain or slopes. It provides for more efficient use of water resources to grow greens and vegetables while cutting back on the time required tending the plants. Members installing the drip irrigation systems were trained and provided with technical assistance on installation, use and maintenance. In addition, FUNCAFE technicians will provide follow up.

The Project reports that 85% of the families participating in the RVCP food and nutritional security component have set out their family garden plots and collected their first harvest to consume at home. The remaining 15% of families joined just recently and have not yet begun activities for their family gardens. RVCP plans to begin the training and orientation process for these new families early next quarter.

The use of drip irrigation in the family plots ensures that growers have crops throughout the entire dry season and can provide their families with appropriate foods.

Table 1 below summarizes the training activities this quarter on family garden plots. Training covered an array of subjects, including the use of natural fertilizers and pesticides.

Table 1
Participants in Training on Family Gardens

UBICACIÓN DEL SOCIO		TEMAS DE CAPACITACIÓN EN HUERTOS FAMILIARES								
Departamento	Municipio	HOMBRE	MUJER	DISEÑO DEL HUERTO FAMILIAR	CONSERVACIÓN DE SUELOS	Siembra y elaboración de Semilleros	Manejo agrícola de Hortalizas	Control de Plagas y Enfermedades	Elaboración de Abonos naturales	Elaboración de pesticidas naturales
Huehuetenango	Jacaltenango	61	18	68	68	64	22	39	41	40
	La Democracia	13	6	14	14	16	13	15	13	15
	La Libertad	147	84	207	207	185	152	179	152	178
	San Antonio H.	49	44	85	86	81	58	70	58	70
	Todos Santos Cuchumatán	80	17	81	81	77	45	63	45	60
	Union Cantil	54	41	85	85	82	62	81	62	68
Total Huehuetenango		404	210	540	541	505	352	447	371	431
San Marcos	El Rodeo	48	14	48	48	44		22	31	35
	San Marcos	33	35							
	San Miguel Ixtahuacan	230	102	182	181	174	162	161	160	165
	San Pablo	27	12	30	30	30			20	18
	San Pedro Sacatepéquez	13	23							
	San Rafel Pie de la Cuesta	31	15	41	41	41		8	16	28
	Sibinal	11	58							
	Tejutla	15	17							
Total San Marcos		408	276	301	300	289	162	191	227	246
Total general		1298	812	486	841	794	514	638	598	677
% PERSONAS CAPACITADAS POR TEMA				65%	65%	61%	40%	49%	46%	52%

▪ School Gardens

Although the school year officially ends in Guatemala in October, six of the RVCP schools are very enthusiastic about their gardens and chose to get organized to be able to tend their crops over the year-end break. The Project is standing by to step in with assistance again early next quarter and also expand coverage to new communities interested in setting up school gardens.

▪ Training on Health and Nutrition for Primary School Teachers

The Project did not plan any activities this quarter as schools are out for the year. FUNCAFE plans to take up the effort early next quarter.

▪ Training on Health and Nutrition for the Families of Coffee, Horticulture and Handicraft Producers from RVCP Organizations

Grower groups in each of the value chains are very motivated; especially coffee producers who will soon hold their general assemblies to elect representatives, allow new members, and see other members withdraw. These shifts in membership numbers affect the total number of individuals receiving RVCP support on food and nutritional security.

Table 2 below provides up to date information for the October through December 2012 quarter on the number of individuals that received RVCP assistance on food and nutritional security. The table includes 205 horticulture producers (FEDECOAG) that are currently undergoing training. A total of 1,298 producers are trained, and 1,093 are members of ANACAFE and FEDECOCAGUA grower groups.

Table 2
Membership Classified According to Gender and Organization

UBICACIÓN DE LOS SOCIOS		SOCIOS DESAGREGADOS POR GÉNERO		ORGANIZACIÓN A LA QUE PERTENECEN LOS SOCIOS		
Departamento	Municipio	HOMBRE	MUJER	ANACAFE	FEDECOCAGUA	FEDECOAG
Huehuetenango	Jacaltenango	61	18	24	55	
	La Democracia	13	6	15	4	
	La Libertad	147	84	111	120	
	San Antonio H.	49	44	93		
	Todos Santos Cuchumatán	80	17	52	45	
	Union Cantil	54	41	48	47	
Total Huehuetenango		614	404	210	343	271
San Marcos	El Rodeo	48	14		62	
	San Marcos	33	35			68
	San Miguel Ixtahuacan	230	102	332		
	San Pablo	27	12		39	
	San Pedro Sacatepéquez	13	23			36
	San Rafael Pie de la Cuesta	31	15		46	
	Sibinal	11	58			69
	Tejutla	15	17			32
Total San Marcos		684	408	276	332	147
Total general		1298	812	486	675	418
						205

Table 3 illustrates the number of events on food and nutritional security attended by each member. Training activities planned this quarter focused on three key areas: nutritious foods, cooking methods and storing methods. Nonetheless, the Project made accommodations to ensure that any new participants received the training on hygiene, cleanliness and safe water. The table covers members from ANACAFE, FEDECOCAGUA and FEDECOAG.

FUNCAFE complemented training activities on food and nutritional security with other training on sexual and reproductive health this quarter for a total of 614 participants. Table 4 summarizes the data.

FUNCAFE records indicate that a total of 6,641 individuals are benefitting from RVCP educational workshops and activities on food and nutritional security. Out of the total of participants, 51% are women.

Table 3
Total Participants in Food and Nutritional Security Training

UBICACIÓN DEL SOCIO		TEMAS DE CAPACITACIÓN EN SEGURIDAD ALIMENTARIA Y NUTRICIONAL								
Departamento	Municipio	HOMBRE	MUJER	HIGIENE Y LIMPIEZA	AGUA SEGURA	CONTENIDO NUTRICIONAL DE LOS ALIMENTOS	DIVERSIFICACIÓN DE LA DIETA FAMILIAR	PREPARACIONES NUTRITIVAS	MÉTODOS DE COCCIÓN DE LOS ALIMENTOS	ENVASADO DE ALIMENTOS
Huehuetenango	Jacaltenango	61	18	65	64	62	62	42	41	27
	La Democracia	13	6	17	16	18	18	17	15	12
	La Libertad	147	84	204	198	185	185	176	133	39
	San Antonio H.	49	44	82	82	80	80	58	57	25
	Todos Santos Cuchumatán	80	17	73	73	73	74	58	68	35
	Union Cantil	54	41	83	83	83	83	74	45	
Total Huehuetenango		404	210	524	516	501	502	425	359	138
San Marcos	El Rodeo	48	14	33	31	27	29	24	27	5
	San Marcos	33	35	30	22	27	0	0	0	0
	San Miguel Ixtahuacán	230	102	185	172	180	172	164	108	109
	San Pablo	27	12	28	27	8	0	25	28	0
	San Pedro Sacatepéquez	13	23	10	10	0	0	0	0	0
	San Rafael Pie de la Cuesta	31	15	37	37	14	13	23	33	13
	Sibinal	11	58	56	50	27	0	0	0	0
	Tejutla	15	17	19	18	13	14	0	0	0
Total San Marcos		408	276	398	367	296	228	236	196	127
Total general		1298	812	486	922	883	730	661	555	265
% PERSONAS CAPACITADAS POR TEMA				71%	68%	61%	56%	51%	43%	20%

Table 4
Progress on Reproductive and Sexual Health in Huehuetenango

UBICACIÓN DEL SOCIO		TEMAS DE CAPACITACIÓN EN SALUD SEXUAL Y REPRODUCTIVA						
Departamento	Municipio	HOMBRE	MUJER	Autoestima y comunicación familiar	Equidad de Género	Anatomía	Cuenta de Enfermedades de Transmisión Sexual y VIH/SIDA	Cuenta de Métodos de Planificación y Planificación Familiar
Huehuetenango	Jacaltenango	61	18	49	50	33		
	La Democracia	13	6	17	17	14		14
	La Libertad	147	84	139	129	70		70
	San Antonio H.	49	44	75	52	26		
	Todos Santos Cuchumatán	80	17	34	25	10	10	
	Union Cantil	54	41	51	38			
Total General		614	404	210	365	153	11	84

▪ Optional Methods to Purify Water for Human Consumption

This quarter the Project began distributing water filters among the families of horticulture producers in the municipalities of San Marcos, San Pedro Sacatepéquez and Tejutla in the province of San Marcos. Technicians distributed 68 filters after providing training on assembly, appropriate use and maintenance. More so, FUNCAFE prioritized delivery of the water filter to those families having participated in prior training on hygiene, cleanliness and safe water. In addition, the Project delivered water filters to 60 new families from the *Asociación de Caficultores Miguelense (ACMI)* in San Miguel Ixtahuacán, San Marcos.

FUNCAFE follow up efforts revealed that 95% of the families have been using the filter correctly and are now drinking safe water.

- **Fuel wood Efficient Stoves for School and Residences**

Over the reporting period, FUNCAFE technical staff scheduled home visits to assess conditions and select the families in most urgent need of RVCP assistance. Technicians then moved forward to provide training and now plan to have a group of families ready early next quarter to receive fuel wood efficient stoves. In the meantime, FUNCAFE is tendering bids to procure the stoves.

- **Communication and Community Outreach**

FUNCAFE completed their second review of five instructor handbooks on food and nutritional security issues. The text is currently awaiting approval by the UIP. A team of professionals that included a nutritionist, a communications specialist and a food and nutritional security expert also reviewed the handbooks.

FUNCAFE is actively participating with the Nutrition Alliance and is a member of the working group on communication and outreach. The working group is reviewing the array of communication material currently available to design a community outreach approach that will convey key messages on health and nutrition as a means to promote behavioral changes.

ii. **4.2.6 Component 6: Improvements to the Handicrafts Value Chain**

- ARTEXCO completed a diagnostic on successes and lessons learned based on the handicraft co-op model after 35 years experience. The findings will be considered for RVCP implementation.
- Based on the findings from successful experiences exporting handicrafts, ARTEXCO designed a critical path around two parallel issues: marketing/production and organization.
- As part of the process to implement the Entrepreneurial Development System (SIDEM in Spanish) at the *La Jacaltequita* Cooperative, the Project provided assistance for a diagnostic and self-evaluation. The Project also began developing a plan for technical assistance.
- The Project organized two workshops entitled “In Step with Artisans” to provide local artisans with details on how ARTEXCO can support them as part of RVCP and ensure an increased and sustainable income from their handicrafts. As a result, two organizations expressed interest in working with RVCP: 1) a group of artisans from the La Laguna village in the municipality of Cuilco in Huehuetenango and 2) a group known as *Mujeres Unidas* in the village of San José Ixcunén in the municipality of La Democracia, Huehuetenango.
- RVCP provided assistance to design 45 handicrafts using locally sourced material. The products will be offered through several ARTEXCO channels.

- Artisans from three RVCP organizations received ARTEXCO support to participate in five marketing activities to showcase the wares they have produced from locally available materials in the RVCP regions, as follows:
 - AGEXPORT Christmas Showcase
 - Christmas Bazaar at a major shopping mall in Guatemala City (Pradera Zone 10)
 - National Fair Trade and Solidarity Expo
 - ONPAKU Trade Fair
 - A TRIBU fashion show
- As reported last quarter, ARTEXCO worked on defining a brand and an image common to all RVCP organization handicrafts –culminating the process by arriving at the KULT brand. ARTEXCO leveraged the opportunity provided by participating at the handicraft expo in Antigua in October to launch the new brand and promote the KULT image.
- ARTEXCO technicians provided individual assistance to 11 artisans from RVCP organizations to produce 45 samples of their goods. The products will be submitted to brokers as part of the handicraft supply being offered from the municipalities of Jacaltenango (villages of Chejbal and Tzisbaj) and San Sebastián (villages of Chejoj Piol), in Huehuetenango and from the municipality of San Miguel Ixtahuacán (*aldea Baljetre*) in San Marcos.

4.3 Cross Cutting Issues

4.3.1 Gender:

- Based on FUNCAFE records, 51% of female members of coffee and horticulture grower groups that are working with RVCP are actively participating in training activities and are also directly benefiting from activities on food and nutritional security.

FUNCAFE continued efforts this quarter mindful of equal opportunities to involve both men and women in attending workshops on food and nutritional security, sexual and reproductive health and family gardens.

- FEDECOCAGUA worked this quarter to generate 175 new jobs, 61 of which (35%) were filled by women. Furthermore, RVCP training activities were based on equal opportunities for both genders as evidenced in the fact that of the 767 individuals that participated in training activities, 159 (21%) were women.
- In seeking additional equal opportunities for men and women, two coffee producer groups in Huehuetenango participating in the Project benefitted from four diagnostic processes conducted by ANACAFE. The diagnostics were based on a participatory process using gender considerations; 22 men and 20 women attended.

- ANACAFE technical staff designed two study modules for the certification course on managing equitable participation. The course was offered to nine of the 20 RVCP producer groups in Huehuetenango. Participants in the modules included 9 men and 21 women working on the following issues:
 - identifying business opportunities to increase income and use participatory budgeting, and
 - strategies to promote integrated participation in small-scale coffee producer groups.
- Using the methodological approach to develop materials using gender considerations, ARTEXCO drafted a proposed plan for 2014 to promote RVCP among handicraft organizations.
- As part of its female leadership development program, ARTEXCO completed two diagnostic assessments with representatives from the *Cooperativa La Jacaltequita*: one to assess the needs of women in the organization and the other on gender considerations.



4.3.2 Climate Change and Environmental Mitigation

- To ensure that families make rational and efficient use of community resources, FUNCAFE technicians worked this quarter to emphasize the need to use natural fertilizers and pesticides in family garden plots. The practices are being implemented for families to have fresh and high quality produce with no further damage to the environment. Technicians confirmed that producers, both men and women, are motivated to apply their new knowledge now that they have realized that there are alternatives that are both relatively low-cost and environmentally friendly.
- FEDECOCAGUA technicians promoted the use of an environmental policy among 18 certified RVCP co-ops. As a result, the co-ops are prepared to address the following issues: (a) ecosystem conservation, (b) protection of wildlife, (c) water conservation, (d)

integrated coffee crop management, (f) soil conservation and (g) integrated waste management. Each of the issues contributes to mitigating the effects of climate change.

- FEDECOCAGUA set up 12 warehouses to store pesticides for RVCP cooperatives in Huehuetenango and San Marcos to comply with SUAP provisions and requirements. As a result, growers are reducing contamination of water sources and are more cognizant of the effect of climate change on their water resources.
- FEDECOCAGUA technicians continued to work with coffee producers from 28 cooperatives to optimize the use of coffee byproducts as organic fertilizer to improve nutrients and soil structure. The efforts also avoid disposing of byproducts that may contaminate nearby water sources.
- Field inspections of the coffee plantations belonging to members from RVCP cooperatives confirmed that correct signage is being used to protect flora and fauna, as well as to treat inorganic waste. The measures contribute to mitigating the environmental impacts of waste.
- The Environmental Mitigation Plan for the Handicrafts Value Chain emphasizes the issues pertaining to dyeing processes. The key aspects for implementing the plan were discussed with ARTEXCO technical staff and the issues were also negotiated with the proprietor of a thread dyeing pilot facility to begin raising awareness at that level as well.

As a result, ARTEXCO technical staff updated the lists of dyes and other chemicals used by the pilot facility and documented the technical and safety specifications for each. The staff began updating production records and controls to implement a health program for workers and design a training program on occupational safety.

- ANACAFE technicians worked with personnel from the coffee wet mill facility owned by the *Asociación Flor del Café* in Santa Rita, Sibinal, San Marcos to promote wastewater treatment and avoid polluting nearby rivers and streams. To that end, they created holding tank to filter and separate out solids. This will prevent the contamination of nearby water sources while mitigating environmental impacts from RVCP interventions.
- ANACAFE technicians worked with personnel from five wet mill facilities operated by RVCP supported grower organizations (*Asociación Flor del Café, Asociación de Desarrollo Integral Buenos Aires, Cooperativa Integral Agrícola Nuevo Edén, Asociación de Campesinos Unidos para la Paz y Desarrollo Integral Comunitario and Empresa Campesina Asociativa Emanuel*) to use organic byproducts from the milling process. Technicians provided assistance to breakdown waste for composting for future use in the nurseries, mitigating the environmental impact of wet mill coffee processing.

- The Project provided assistance to coffee producers from RVCP grower groups in San Marcos and Huehuetenango who individually process their coffee to reuse their wastewater and byproducts as organic fertilizers for coffee and other crops while simultaneously mitigating the environmental impacts of their processes.

4.3.3 Entrepreneurial Development

- FUNDASISTEMAS continued to support processes to implement the Entrepreneurial Development System (SIDEM) in RVCP producer groups as follows:
 - Workshop led by 11 ANACAFE technicians to discuss results from diagnostic assessments of the producer organizations.
 - Facilitate a workshop to draft the FEDECOAG and ARTEXCO assistance plans.
 - Complete a process for ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO technicians to review ten diagnostic assessments. The assessments were conducted on two producer groups from San Marcos and eight in Huehuetenango. Upon completing each review, the technicians provided feedback to improve the material.
 - Complete a series of 15 assistance activities by technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO during the meetings to apply Phase I: SIDEM.
 - FEDECOAG and ARTEXCO technicians draft assistance plans for three producer groups.
- FEDECOCAGUA personnel provided technical assistance and support to 28 RVCP cooperatives on entrepreneurial strengthening, as follows:
 - a. Gap analysis and compliance with standards on organic production as approved by each cooperative.
 - b. Support in drafting terms of reference to audit organic processes for each of the cooperatives.
 - c. Support during external inspections for organic coffee production and technical assistance to comply with specific requirements following the inspection.
 - d. Assistance to the legal representatives from each cooperative to complete the paperwork with INGECOP to authorize receipts, invoices and other documents.
 - e. Technical support for the *Cooperativa Agua Dulce R.L.* to draft two reports for INGECOP to clear previous audit recommendations.
 - f. Technical assistance to the boards of directors of coffee cooperatives regarding procedures to modify their bylaws.

- g. Technical assistance to accounting staff on records and improved procedures.
 - h. Assistance to boards of directors and managers of RVCP cooperatives on accountability, work plans and 2014 budget processes.
 - i. Assistance to three cooperatives to organize their education committees.
 - j. Assistance to co-op boards of directors to organize their credit committees.
 - k. Technical team visits to ANACAFE, INACOP, INGECON, SAT and the Labor Department to coordinate and strengthen cooperative administration for RVCP organizations, particularly in regard to labor, fiscal, administrative and legal records.
- FEDECOCAGUA technicians worked with FUNDASISTEMAS staff to raise awareness about the RVCP SIDEM system in preparation for implementing the system, as follows:
 - a. ten participatory diagnostics;
 - b. six self-evaluations, and
 - c. awareness of the ties between producer organizations.
 - ANACAFE technicians completed diagnostic assessments for 13 of the 20 RVCP producer groups in Huehuetenango as part of the SIDEM implementation process. The results of the diagnostics will be included in the assistance plans for each organization.
 - ANACAFE technicians provided assistance to two producer groups in Huehuetenango on planning and organizing their special assemblies in compliance with bylaws and provisions. The assemblies included the participation of 25 women and 162 men.
 - ANACAFE technicians provided assistance to two producer groups from Huehuetenango to complete filing procedures with the tax authority (*Superintendencia de Administración Tributaria* -SAT).
 - ANACAFE technicians worked with one of the grower groups in Huehuetenango to file the paperwork required to modify their bylaws (*Instituto Nacional de Cooperativas* -INACOP).
 - ANACAFE technicians worked with two GATS in Huehuetenango to file the paperwork required to register 21 of their members at ANACAFE.
 - ANACAFE technicians assisted a grower group in Huehuetenango to complete the paperwork as required to renegotiate the terms of a loan in the amount of GTQ 339,382.60.
 - ANACAFE technicians organized two training activities for two producer groups in Huehuetenango on (a) roles and responsibilities of the board of directors and (b) household and community economies/institutional strengthening using a gender-based approach. Participants included 48 women and 9 men.

- FEDECOAG joined efforts with FUNDASISTEMAS to continue promoting the use of SIDEM among five horticulture groups (three in San Marcos and two in Huehuetenango) to make progress under Phase 1 on Governance (organizational diagnostic). The effort included organizing workshops with the participation of board members, leaders and employees.
- FEDECOAG also:
 - provided assistance and specific training on administrative and accounting issues for managers, assistant managers and accountants from five horticulture groups.
 - provided assistance to a horticulture group to update their inventory records.
 - worked with two horticulture groups in San Marcos to comply with fiscal obligations.
 - worked with accounting staff in three horticulture groups on improved accounting techniques and financial statements.
 - worked with the manager, assistant manager and accountant from a horticulture group in San Marcos to implement INGECON audit recommendations.
 - worked with managers, assistant managers and accountants from seven horticulture groups on preparing their financial statements.

4.3.4 Financial Services

- FEDECOCAGUA completed activities with the 28 RVCP cooperatives in San Marcos and Huehuetenango to ensure their financial independence and credit rating, as follows:
 - a. leverage financial resources to enable FEDECOCAGUA to provide funding for the coffee harvest and processing to access international markets. The following table summarizes the funding.

HUEHUETENANGO

<i>Item</i>	<i>Cooperative</i>	<i>Amount (expressed in GTQ)</i>
1	<i>Cooperativa Chojzunil</i>	100,000.00
2	<i>Cooperativa Hoja Blanca</i>	800,000.00

3	<i>Cooperativa Peña Roja</i>	600,000.00
4	<i>Cooperativa Nuestro Futuro</i>	800,000.00
5	<i>Cooperativa Agua Dulce</i>	300,000.00
6	<i>Cooperativa Tajumuco</i>	4,000,000.00
7	<i>Cooperativa San José El Obrero</i>	1,838,575.00 (Q300,000.00 in cash and Q1,538,757.00 in kind as fertilizers)
8	<i>Cooperativa Las Pilas, Cocolense y Mashbal (managed by the regional office in Barillas)</i>	500,000.00
9	<i>Cooperativa Río Limón</i>	100,000.00
10	<i>Cooperativa A´xolá</i>	100,000.00
11	<i>Cooperativa El Porvenir</i>	100,000.00
	TOTAL	9,238,575.00

SAN MARCOS

<i>Item</i>	<i>Cooperative</i>	<i>Amount (expressed in GTQ)</i>
1	<i>Cooperativa Nuevo Progreso</i>	260,000.00
2	<i>Cooperativa San José</i>	225,000.00
3	<i>Cooperativa La Esperancita</i>	400,000.00
4	<i>Cooperativa Comunidades Unidas</i>	1,000,000.00
5	<i>Cooperativa San Pablo</i>	825,000.00
6	<i>Cooperativa La Bendición</i>	550,000.00
7	<i>Cooperativa 21 de Octubre</i>	800,000.00
	TOTAL	4,060,000.00

- ANACAFE technicians worked with a coffee grower group in Huehuetenango to complete their application to renew a credit line in the amount of US\$300,000.00 from, the trust fund for Guatemalan coffee producers (*Fideicomiso Apoyo Financiero para los Productores del Sector Cafetalero de Guatemala*).
- ANACAFE technicians worked with coffee grower groups in Huehuetenango to complete 21 applications for credit through the trust fund for Guatemalan coffee producers. As a result, six applications were approved for a total of US\$ 22,792.00.
- Over the October-December 2013 quarter, RVCP provided assistance to 38 members from the *Cooperativa Integral Agrícola Nuevo Porvenir R.L.*, *Empresa Campesina Asociativa Emanuel* and *Asociación Civil de Pequeños Agricultores Flor del Café* in San Marcos to apply for credit through the trust fund for Guatemalan coffee producers to renew their coffee plantations. RVCP provided assistance to draft 20 investment plans annexed to the applications.
- As a result of ANACAFE entrepreneurial technical assistance to the *Cooperativa Integral Agrícola Nuevo Edén R.L.* in San Marcos, the group successfully recouped credit in the amount of GTQ160,000.00.
- ANACAFE provided technical assistance to the *Cooperativa Integral Agrícola Nuevo Edén* in San Marcos to increase their working capital from GTQ 38,000.00 to GTQ 68,000.00. The increase is the result of productive projects implemented by the members (interest from loans to members, fees to use the wet mill facility and revenue from selling supplies to members).
- RVCP provided technical assistance through ANACAFE to the *Asociación de Caficultores Miguelenses* (ACMI) in San Miguel Ixtahuacán, San Marcos, to increase their working capital this quarter for an accumulated total of GTQ 274,759.92.
- ANACAFE technicians also worked with the *Asociación Campesina Unidos para la Paz y el Desarrollo Comunitario* in San Marcos to request a loan renegotiation with the Ministry of Agriculture (*Ministerio de Agricultura, Ganadería y Alimentación* -MAGA). As a result, the Ministry authorized a reduction of debt in the amount of GTQ1,000,000.00.
- RVCP provided assistance through ANACAFE that enabled ACMI to meet requirements for the Ministry of Economy's project to strengthen coffee trade in the municipality of San Miguel Ixtahuacán, San Marcos. As a result of the assistance, the grower group received a certificate of transparency and was able to access funding for GTQ150,000.00 as seed capital..
- As part of a strategy to increase working capital for RVCP horticulture groups, FEDECOAG planned to provide member cooperatives with capital for financial investments to ensure their long-term sustainability. Over the reporting period, two cooperatives (*Los Cuchumatanes* and *San Pedro Unido*) each received GTQ 150,000.00.

- FEDECOAG is working with FONAGRO/MAGA to process a grant application for the *Cooperativa Los Cuchumatanes* in the amount of GTQ 502,380.00 to implement their agricultural and commercial trade project to benefit 104 women.

4.3.5 Communications

- ANACAFE Region I (San Marcos) continued to work through an alliance with two community radio stations broadcasting in the municipality of San Miguel Ixtahuacán, San Marcos to air the program “*El Cafetal Radio*” providing tips in cultural context.
- FEDECOAG began the process to establish the Center for Technical Analysis and Support (*Centro de Análisis y Apoyo Técnico* -CAAT) as part of its operational structure to produce information that will be distributed weekly among the eight RVCP horticulture organizations in San Marcos and Huehuetenango, as well as among the other cooperatives that are members of the Federation.

4.3.6 Coordination with Local and National Governments (Political Dialogue)

- FUNCAFE representatives continued to participate in COMUSAN and COMUDE meetings (municipal commissions on food and nutritional security and municipal development councils, respectively).

In the case of San Miguel Ixtahuacán, San Marcos, FUNCAFE continued to support the process to establish the COCOSAN (community council on food and nutritional security). During the reporting period, FUNCAFE successfully established a COCOSAN in Aldea El Zapote.

To increase advocacy efforts, FUNCAFE also continued to participate in the political task force on the nutrition alliance comprised of 18 private sector organizations.

- The Community Development Council (COCODE) in *Nuevo Porvenir*, Nuevo Progreso, San Marcos includes members of *Cooperativa Nuevo Porvenir*. Over the reporting period, the COCODE managed and implemented a project to introduce potable water to benefit 48 families. The San Marcos Departmental Development Council provided funds to the municipal government. The Project worked through ANACAFE to support the process.
- ANACAFE technicians worked with MAGA to deliver emergency food supplies to 117 members of RVCP coffee producer groups in San Marcos whose plantations were severely damaged by coffee rust disease.

5 Coordination, Cooperation and Exchange Mechanisms with other Institutions Working on Feed the Future (FtF)

- The UIP signed a letter of understanding with The Nature Conservancy on November 29, 2013 to coordinate activities under Objective 3 (adapting to climate change) through the USAID Climate, Nature and Communities Project..
- The UIP continued to participate on the inter-institutional platform for cooperation and coordination established by the National Agricultural Development Council (*Consejo Nacional de Desarrollo Agropecuario* -CONADEA) at the Ministry of Agriculture as an “opportunity for dialogue, coordination, cooperation and activities among a variety of technical cooperation efforts based on a value chains approach to promote rural development, with an initial effort using potato crops to improve competitiveness.”

The Project plans to sign a technical cooperation agreement on January 21, 2014 for the multiple alliance platform on technical cooperation and inter-agency coordination to support the potato crop value chain. The UIP will sign the agreement.

- FUNCAFE continued to provide support to the technical working groups for departmental committees implementing USAID-funded projects under the FtF Initiative. FUNCAFE joined the committee for San Marcos this quarter and successfully engaged with other institutions to include them in efforts for a pilot community in Tajumulco, San Marcos.

6 Financial Reports

7. Annexes

ANNEX 1: Photo Gallery



1. FUNCAFE instructor teaches participants in the village of San Marcos, Jacaltenango, Huehuetenango to prepare nutritious meals.



2. Members participate in preparing nutritious foods in La Democracia, Huehuetenango.



3. Demonstrating how to cook nutritious meals in San Miguel Ixtahuacán, San Marcos.



4. Families benefit in San Miguel Ixtahuacán, San Marcos when harvesting produce from their family gardens.



6. Member of a cooperative in San José, El Rodeo, San Marcos checks his cucumber crop.



7. Family gardens in production in San Isidro, La Democracia, Huehuetenango.



8. RVCP beneficiaries compost organic waste in San Miguel Ixtahuacán, San Marcos.



9. Workshop on natural liquid fertilizers in San Miguel Ixtahuacán, San Marcos.



10. Field visit during a workshop on horticulture in Todos Santos, Huehuetenango.



11. RVCP beneficiary checks produce in Aldea La Cipresada, La Libertad, Huehuetenango.



12. School garden where students harvest produce they consume at snack time. Aldea La Cipresada, La Libertad, Huehuetenango.



13. Field visit by ARTEXCO staff for experience exchange on family garden plots.



14. USAID officials visit RVCP beneficiaries in San Miguel Ixtahuacán, San Marcos.



15. USAID officials meet with RVCP beneficiary on his use of a water purifier in San Miguel Ixtahuacán, San Marcos.



16. Micro irrigation system in .Jacaltenango, Huehuetenango.



17. Micro irrigation system installed in Aldea La Cipresada, La Libertad, Huehuetenango.



18. Scholarship students from the highschool studies program on coffee production at Finca Las Nubes, Suchitepéquez.



19. Scholarship students receive hands on training at Finca Las Nubes, Suchitepéquez.



20. Scholarship students receive hands on training on wet mil processing at Finca Las Nubes, Suchitepéquez.

20, 21 and 22: Artisans participate in ARTEXCO training activity.

